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THE Wool SITUATION

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U.S. DEPARTMENT OF AGRICULTURE

1951 OUTLOOK ISSUE
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UNITED STATES DEPARTMENT OF AGRICULTURE

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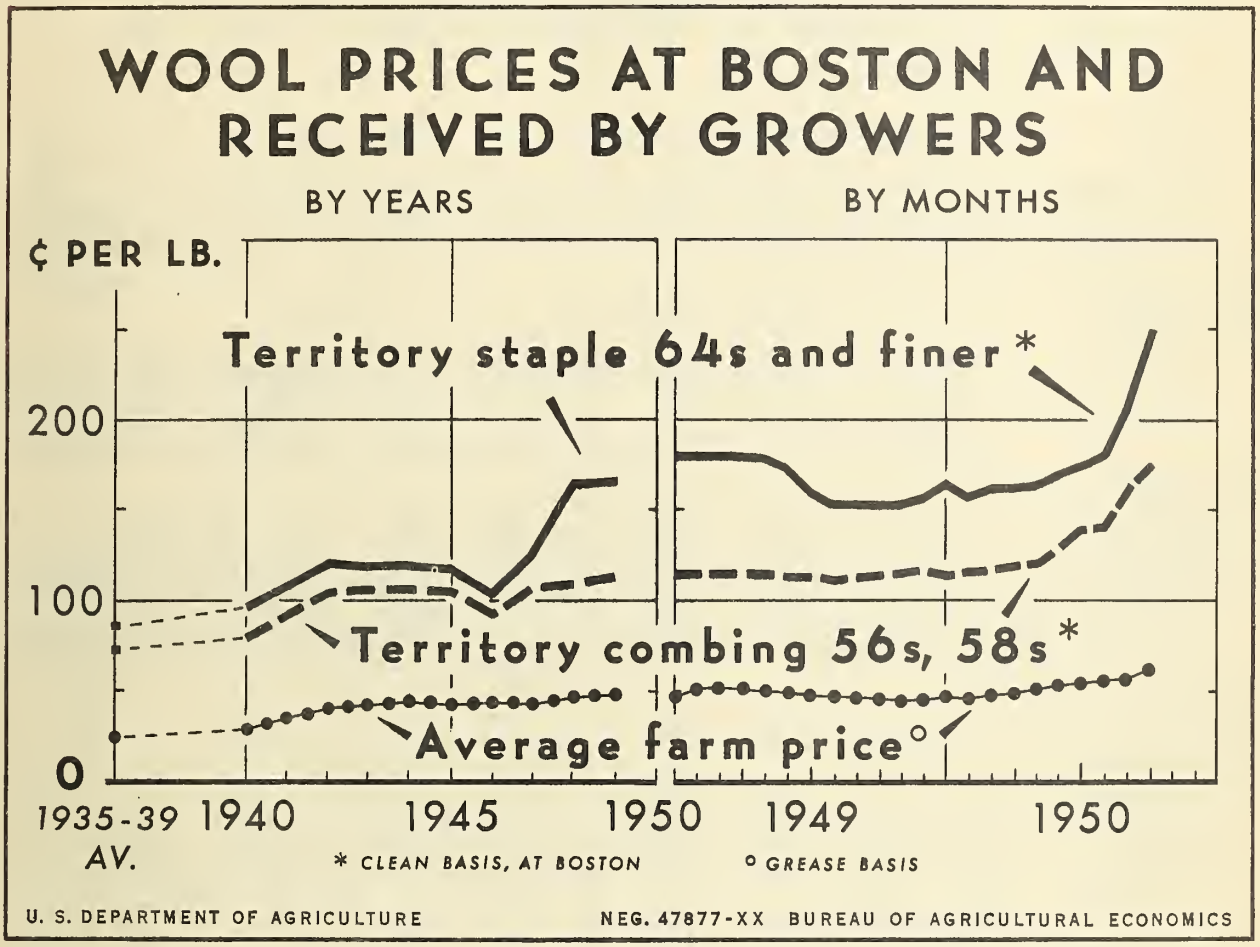

Prices of domestic wools have reflected the sharp rise in prices in foreign markets since the resumption of auctions in the British Dominions late in 1946. Spreads between prices of fine combing and other wools widened considerably in 1948, but narrowed somewhat last year. Prices of domestic wools at Boston have advanced considerably since last November and were at new record levels this September.

Prices received by growers for shorn wool were fairly stable during 1943–47, due largely to Government price support programs. Prices advanced rather sharply in 1948 but only slightly in 1949. The average price received by growers in September of this year was a new record high. Prices received this year will average somewhat higher than last year.

STATISTICAL SUMMARY OF DOMESTIC WOOL OUTLOOK

Item	Average 1935-39	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
						SUPPLIES					
Production (grease)											
Shorn	358.5	387.5	388.3	378.8	338.3	307.9	280.5	252.8	223.9	217.0	218.2
Pulled	65.5	65.8	66.7	65.2	73.5	70.5	61.3	56.6	46.6	36.4	35.5
Total	424.0	453.3	455.0	444.0	411.8	378.4	341.8	309.4	260.5	253.4	253.7
Reported stocks, April 1 (Grease basis)											
Apparel wool											
Privately owned											
Domestic wool	162.7	87.1	141.0	122.6	75.7	74.1	77.4	111.1	177.5	119.7	114.3
Foreign wool	49.2	112.2	170.2	134.7	209.9	246.9	297.4	251.0	207.6	121.0	115.6
Total	211.9	199.3	311.2	257.3	285.6	321.0	374.8	362.1	385.1	240.7	229.9
Government owned											
Domestic (CCC)					185.5	291.8	459.6	445.2	275.6	107.5	28.5
Foreign (DSC)			198.9	295.2	275.7	66.4					
Total			198.9	295.2	461.2	358.2	459.6	445.2	275.6	107.5	28.5
Total apparel	211.9	199.3	510.1	552.5	746.8	679.2	834.4	807.3	660.7	348.2	258.4
Carpet wool, Foreign only	45.9	52.5	104.2	66.4	40.1	66.4	96.5	129.3	114.2	84.8	78.0
(Scoured basis)											
Apparel wool											
Privately owned											
Domestic wool	76.6	44.3	66.8	60.0	32.5	34.4	36.0	51.2	76.9	57.7	55.4
Foreign wool	32.6	70.3	104.3	86.4	134.0	153.9	189.5	159.6	130.3	74.9	70.9
Total	109.2	114.6	171.1	146.4	166.5	188.3	225.5	210.8	207.2	132.6	126.3
Government owned											
Domestic wool (CCC)					83.4	125.6	195.9	193.4	139.3	66.7	16.9
Foreign wool (DSC)			113.4	168.4	157.7	35.6					
Total			113.4	168.4	241.1	161.2	195.9	193.4	139.3	66.7	16.9
Total apparel	109.2	114.6	284.5	314.8	407.6	349.5	421.4	404.2	346.5	199.3	143.2
Carpet wool, Foreign only	29.9	36.8	75.8	47.7	29.4	48.5	70.1	93.5	82.7	62.0	54.5
Imports for consumption (Actual weight)											
Dutiable (apparel)											
Finer than 40s 2/	66.7	562.1	749.3	626.3	503.9	634.4	740.5	400.2	391.0	248.2	
Donskoi, Smyrna and etc.	8.1	7.6	13.1	8.6	5.0	3.0	2.8	1.2	0.7	0.7	
Other not finer than 40s	15.6	35.4	32.0	14.0	38.8	38.3	68.5	37.3	24.6	13.4	
Total 2/	90.4	605.1	794.4	648.9	547.7	675.7	811.8	438.7	416.3	262.3	475-525
Duty-free (carpet)											
Donskoi, Smyrna, etc.	129.6	194.8	58.9	24.9	29.7	76.6	122.6	110.9	160.0	85.9	
Other not finer than 40s	4.1	16.2	5.9	4.2	42.2	55.4	119.1	91.4	181.3	86.6	
Total	133.7	211.0	64.8	29.1	71.9	132.0	241.7	202.3	341.3	172.5	300-330
Imports for consumption (Clean content)											
Dutiable (apparel)											
Finer than 40s 2/	39.7	301.0	427.4	381.0	314.0	389.8	425.7	234.0	229.5	145.6	
Donskoi, Smyrna and etc.	5.7	5.1	8.4	6.3	3.2	2.0	2.0	1.0	0.4	0.5	
Other not finer than 40s	10.6	23.0	21.3	10.1	27.7	26.2	45.4	24.3	16.3	8.8	
Total 2/	56.0	329.1	457.1	397.4	344.9	418.0	473.1	259.3	246.2	154.9	285-315
Duty-free (carpet)											
Donskoi, Smyrna, etc.	93.1	134.6	40.5	17.4	21.5	51.1	85.9	77.2	112.0	61.1	
Other not finer than 40s	2.8	10.8	4.2	3.0	31.1	40.2	84.0	62.8	120.8	56.5	
Total	95.9	145.4	44.7	20.4	52.6	91.3	169.9	140.0	232.8	117.6	200-225
						CONSUMPTION					
Mill consumption (scoured basis)											
Apparel wool											
Domestic and foreign 3/	281.1	514.4	560.5	603.3	577.0	589.3	609.6	525.9	483.2	339.0	410-440
Carpet wool, Foreign only 3/	96.0	133.6	43.1	32.9	45.8	55.9	127.9	172.3	207.9	161.4	190-210
Fabric production (Million linear yards)											
Men's wear			277.0	256.8	217.9	204.2	228.1	(401.3	208.2	159.3	
Women's and children's wear			107.6	132.1	170.6	141.4	234.9	(	194.0	165.3	
Other apparel fabrics			72.2	51.7	52.1	55.8	61.2	35.2	32.1	26.5	
Total apparel fabrics			456.8	440.6	440.6	401.4	524.2	436.5	434.3	351.1	
Blankets			64.1	89.3	78.9	80.2	48.5	31.6	21.4	22.5	
Other nonapparel			6.9	6.6	8.3	11.8	31.0	32.4	41.8	40.7	
Total woven fabrics			527.8	536.5	527.8	493.4	603.7	500.5	497.5	414.3	
						PRICES					
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Prices received by farmers 4/	23.9	35.5	40.1	41.7	42.4	41.9	42.3	42.0	48.8	49.3	54- 56
Parity price 5/	22.9	24.1	27.7	31.1	33.3	34.7	37.9	43.8	47.5	45.8	51--52
Farm as percentage of parity	105	145	142	132	125	119	110	95	99	106	108-110
Boston market prices:											
Domestic wool											
Territory (scoured basis)											
64s, 70s, 80s, staple	84.4	108.8	119.1	117.8	119.0	117.7	102.6	124.2	164.6	166.4	190-210
56s, combing	71.9	91.2	102.6	104.2	104.5	103.5	91.4	107.0	107.6	112.8	145-155
Bright fleece (grease basis)											
64s, 70s, 80s, delaine	33.7	43.1	46.9	46.9	47.0	47.0	41.3	50.8	66.2	67.8	75- 80
56s, combing	36.2	46.8	51.8	54.2	54.5	54.0	47.7	55.0	56.0	55.2	70- 75
Foreign wool, excl. duty											
Australian (clean basis)											
64s, 70s, topmaking	58.7	69.5	75.4	75.9	72.1	75.2	76.1	102.9	159.9	170.3	190-210
Montevideo (grease basis)											
60s, 64s (merinos)	28.8	40.4	43.0	41.4	39.4	39.6	42.3	50.7	70.8	75.7	100-110
56s, (I's)	30.1	38.6	42.5	41.4	40.7	42.2	43.1	49.2	64.5	67.6	85- 90

Compiled from official sources.

1/ Preliminary estimates as of October 1.

2/ Includes a small quantity of carbonized wool which was not reported by class and grade, and excludes wool entered free as an act of international courtesy.

3/ For 1935-41 inclusive, Donskoi, Smyrna, and similar wools without merino or English blood are reported as carpet wool and all other wools, both free and dutiable, are reported as apparel wool; beginning 1942, all duty-free wools are reported as carpet wool and all dutiable wools are reported as apparel wool. Includes consumption on the cotton and other systems of spinning prior to 1946 and in batting and felt manufactures prior to 1947; for 1947 and later years includes only consumption on the woolen and worsted systems. Prior to 1942, wool was considered as consumed when carded or otherwise advanced beyond scouring or raw stock dyeing; beginning January 1942, wool was considered as consumed (1) on the woolen system when laid in mixes and (2) on the worsted system when entering scouring bowls; beginning August 1948, consumption on the worsted system is taken as the sum of top and noil production.

4/ Weighted average, grease basis.

5/ Simple average of monthly data calculated from revised parity indices as published by Bureau of Agricultural Economics in January 1950.

THE WOOL SITUATION

Approved by the Outlook and Situation Board, October 18, 1950

SUMMARY

Domestic production of shorn and pulled wool in 1951 is likely to be slightly less than this year. Production of shorn wool probably will be around 210-215 million pounds, grease basis, which would be the smallest since 1879. Stock sheep numbers at the beginning of the year probably will be nearly the same as on January 1, 1950. The average weight per fleece probably will be slightly lower. Production of pulled wool is likely to total about 34.5 - 35.0 million pounds.

World consumption of apparel wool during the season ended June 30, 1950, is estimated to have exceeded production by about 15-20 percent. World stocks were reduced accordingly. World production of apparel and carpet wool during the current season is estimated at 3,890 million pounds, grease basis, compared with 3,790 million pounds last season. Of the total, probably not more than 3,045 million pounds will be apparel wool. This would be an increase of less than 75 million pounds over the quantity of apparel wool produced last season.

Consumer demand for wool goods in the United States next year is likely to continue strong. A considerable increase in military requirements in the United States and other countries also seems likely. The net effect, unless offset by a decline in civilian demand elsewhere, is likely to be an increase in world demand for apparel wool. This, together with the smaller world supply of wool, indicates that prices to domestic growers for shorn wool are likely to average higher next year. Prices received in 1950 will average somewhat higher than the 49.3 cents received last year.

The Defense Production Act of 1950 authorizes price controls for wool and mohair as well as for other farm products. The Act specifies that no ceiling shall be established or maintained for any agricultural commodity below the higher of two prices - the parity price or the highest actual prices received by producers between May 24 and June 24, 1950, inclusive, as they might be adjusted for grade, seasonal, and location differentials. During that period, prices of wool were above parity. Thus the minimum levels at which any ceilings could be imposed would be determined by the highest prices actually received during that period, as adjusted. Prices for wool, along with those of a few other agricultural commodities, at present are within the range of authority for control.

Even though wool prices probably will be higher next year, mill consumption in the United States probably will increase slightly. Consumer incomes are expected to be higher, and military requirements will increase. If consumption next year is higher, imports probably will increase in view of the low level of stocks and domestic production. Controls authorized under the Defense Production Act of 1950, if imposed, could have considerable effect on both the quantity of apparel wool consumed for civilian uses and total consumption. Total consumption this year probably will be 410-440 million pounds, scoured basis.

REVIEW AND OUTLOOK

Domestic Wool Production to Decline in 1951

Production of shorn and pulled wool in the United States in 1951 probably will be 245-250 million pounds, grease basis. This would be 46 percent below the record level of 455 million pounds in 1942. Production in 1950 is expected to total about 254 million pounds. The number of stock sheep on January 1 probably will be nearly the same as the 27.1 million head at the beginning of this year. Slaughter in 1950 has been slightly larger than last year relative to inventories.

Shorn wool production in 1951 probably will be 210-215 million pounds. The average weight per fleece probably will be slightly lower than in 1950. Production of shorn wool in 1950 is now estimated at 218.2 million pounds. This is about 1.2 million pounds more than was shorn in 1949 and is the first increase in shorn wool production since 1942. Although about 1 percent fewer sheep were shorn this year than last, the increase in the average weight per fleece was sufficient to raise shorn wool production above that of 1949.

Prospects are that sheep and lamb slaughter in 1951 will be a little smaller than in 1950. If the proportion of skins diverted to users other than pulleries is about the same as during recent years, pulled wool production is likely to be 34.5 - 35.0 million pounds.

On a scoured basis, total production in 1951 would be approximately 107-109 million pounds, compared with 111 million pounds now estimated for 1950.

Consumption Exceeds Production.

World consumption of apparel wool during the season ended June 30, 1950 is estimated to have exceeded production by about 15-20 percent, thus reducing world stocks. This was the fifth consecutive year during which world consumption was in excess of current production, and was made possible by the large wartime accumulation of stocks in some countries.

The greater part of the decline in stocks probably took place in wool held by Government agencies - Joint Organization (United Kingdom Wool Disposals Limited) and Commodity Credit Corporation. Between July 1, 1949, and June 30, 1950, holdings of the Joint Organization were reduced from about 650 million pounds to about 200 million pounds, grease basis. During the same period, CCC holdings were lowered from about 90 million pounds, grease basis, to less than one-half million pounds. At the time of its establishment on July 31, 1945, the Joint Organization took over about 3,210 million pounds of wool, grease basis. Commodity Credit Corporation holdings reached a peak of about 540 million pounds, grease basis, on October 1, 1946.

World production of apparel and carpet wool during the current season is estimated at 3,890 million pounds, grease basis, compared with 3,790 million pounds last season and an annual average of 3,930 million pounds during 1936-40. Of the total, probably not more than 3,045 million pounds will be apparel wool, less than 75 million pounds more than the quantity produced last season.

Wool Prices in Foreign Markets

At the opening auctions of the current season in the British Dominions about September 1 and shortly thereafter, prices of merino wool advanced to levels 40-50 percent above prices at the closing auctions in June. Prices have declined slightly since then but early in October were still about 30-35 percent higher than at the close of auctions of the previous season.

At the opening of the September series of London auctions on September 22, dollar prices of merino wools were about 45 percent higher and prices of crossbred wools ranged from 60 to 85 percent higher than at the close of the July series of auctions on July 21 (table 1). At the close of the series on October 6, prices were 5-10 percent lower than at the opening. On Septembee 22, 64s - 70s good medium fleeces were quoted at $2.86 per pound, clean basis, Bradford yield, compared with $1.98 at the close of the previous series of auctions on July 21. The previous high for such wools was $2.07 at the close of the March series of sales on April 8, 1949. On October 6, this wool was quoted at $2.63. The dollar price of this wool reached a low of $1.23 at the opening of auctions on Setpember 23, 1949, shortly after devaluation of the pound sterling in that month. On October 6, 1950, the dollar price and the sterling price were 36 and 96 percent, respectively higher than dollar and sterling prices at the close of the last series of auctions before devaluation.

Prices at Boston Continue to Advance

Prices of both domestic and imported wool at Boston reflect the higher level of prices in foreign markets. Prices of imported wool at Boston advanced from early in the year until early in October and then declined slightly. The sharpest advances occurred during September, following the sharp advance in prices at the opening auctions of the new selling season in the British Dominions.

During the week ending October 13, Australian good topmaking wool (64s, 70s) was quoted at $2.50 per pound, clean basis, American yield, in bond, at Boston, compared with $2.72 during the week ended September 29, $1.78 during the last week in August and $1.78 during the week ended June 23. For the same weeks, price quotations for Australian combing wool (58s,60s) were $2.15, $2.35, $1.52, and $1.52.

The trend of prices for domestic wools at Boston has been similar, and in general, spreads between fine staple and other wools have continued to narrow. At present, prices for most domestic wools at Boston are at record levels. For the week ended October 13, territory fine (64s and finer) staple wool was quoted at $2.45 per pound, clean basis, compared with $2.08 late in August and $1.76 for the week ended June 23. Comparable prices for territory three-eighths blood (56s, 58s) combing wool were $1.82, $1.69, and $1.40. Advances in domestic wool prices between June 23 and October 13 ranged from 20.6 percent for semi-bright fleece half-blood combing wool to 51.4 percent for territory common and braid (table 2).

Table 1. - Prices of good fleece wools at the London auctions, in cents and pence per pound, clean basis, by months, 1948-50

Week ended 1/	Good medium fleeces		Fine crossbred fleeces		Crossbred fleeces	
	64s-70s	64s-70s	56s	56s	46s	46s
	Cents	Pence	Cents	Pence	Cents	Pence
1948						
January 15	147.8	88.0	94.0	56.0	55.4	33.0
January 30	161.3	96.0	100.8	60.0	59.6	35.5
March 5	144.5	86.0	90.7	54.0	45.4	27.0
March 19	152.8	91.0	90.7	54.0	45.3	27.0
April 30	161.3	96.0	94.1	56.0	52.1	31.0
June 4	196.5	117.0	97.4	58.0	52.1	31.0
June 16	196.5	117.0	97.4	58.0	48.7	29.0
July 23	196.5	117.0	100.8	60.0	52.1	31.0
September 16	189.8	113.0	100.8	60.0	52.1	31.0
October 1	184.8	110.0	97.4	58.0	52.1	31.0
November 17	199.9	119.0	107.5	64.0	58.8	35.0
December 3	199.9	119.0	117.6	70.0	65.5	39.0
1949						
January 27	201.6	120.0	109.2	65.0	67.2	40.0
February 18	201.6	120.0	109.2	65.0	65.5	39.0
March 25	201.6	120.0	109.2	65.0	60.5	36.0
April 8	206.5	123.0	109.1	65.0	57.1	34.0
May 13	194.9	116.0	99.1	59.0	55.4	33.0
May 27	201.4	120.0	99.0	59.0	55.4	33.0
July 7	201.5	120.0	104.1	62.0	55.4	33.0
July 22	193.2	115.0	104.1	62.0	55.4	33.0
September 23	122.6	105.0	77.0	66.0	42.0	36.0
October 7	134.2	115.0	81.7	70.0	47.8	41.0
November 25	150.5	129.0	95.7	82.0	61.9	53.0
December 9	150.5	129.0	93.4	80.0	56.0	48.0
1950						
January 27	173.9	149.0	114.4	98.0	70.0	60.0
February 10	158.7	136.0	95.7	82.0	60.7	52.0
March 16	158.7	136.0	93.4	80.0	63.0	54.0
March 31	170.4	146.0	102.7	88.0	70.0	60.0
May 5	177.4	152.0	110.9	95.0	75.9	65.0
May 19	184.4	158.0	114.4	98.0	79.4	68.0
July 6	184.4	158.0	114.4	98.0	80.5	69.0
July 21	198.4	170.0	123.7	106.0	89.9	77.0
September 22	285.9	245.0	198.4	170.0	166.9	143.0
October 6	262.6	225.0	186.7	160.0	152.9	131.0

Compiled from Kreglinger and Fernau Market reports. Prices converted from pence to cents at current rates of exchange.

1/ Quotations are for week ending on date shown, which are opening and closing weeks for each series.

Table 2. - Prices of domestic shorn wools at Boston, clean basis, for week ended October 13, 1950, with comparisons

Classification		1949 January	1949 October	1950 Week ended June 23	1950 Week ended October 13	Week ended October 13 percentage change from January 1949	October 1949	Week ended June 23, 1950
		Cents	Cents	Cents	Cents	Percent	Percent	Percent
Graded shorn								
Territory								
Fine combing (Staple)	(64s and finer)	180.0	152.5	176.0	245.0	36.1	60.7	39.2
Fine French combing	(64s and finer)	162.5	147.5	165.0	235.0	44.6	59.3	42.4
Fine clothing	(64s and finer)	135.0	137.5	152.5	210.0	55.6	52.7	37.7
1/2 Blood combing (Staple)	(60s, 62s)	155.0	137.5	158.5	205.0	32.3	49.1	29.3
1/2 Blood French combing	(60s, 62s)	145.0	127.5	145.0	177.5	22.4	39.2	22.4
1/2 Blood clothing	(60s, 62s)	125.0	112.5	132.5	157.5	26.0	40.0	18.9
3/8 Blood combing	(56s, 58s)	113.5	112.0	139.5	182.5	60.8	62.9	30.8
3/8 Blood clothing	(56s, 58s)	95.0	95.0	102.5	137.5	44.7	44.7	34.1
1/4 Blood combing	(48s, 50s)	102.5	98.5	122.5	162.5	58.5	65.0	32.7
Low 1/4 Blood	(46s)	92.5	92.5	97.5	145.0	56.8	56.8	48.7
Common and Braid	(44s and coarser)	87.5	87.5	92.5	140.0	60.0	60.0	51.4
Bright fleece								
Fine combing (Delaine)	(64s and finer)	180.0	156.2	182.5	250.0	38.9	60.1	37.0
Fine clothing	(64s and finer)	102.0	125.0	152.5	205.0	101.0	64.0	34.4
1/2 Blood combing	(60s, 62s)	150.0	142.5	158.5	205.0	36.7	43.9	29.3
3/8 Blood combing	(56s, 58s)	106.0	103.0	127.5	170.0	60.4	65.0	33.3
1/4 Blood combing	(48s, 50s)	98.5	96.0	122.5	157.5	59.9	64.1	28.6
Low 1/4 Blood	(46s)	76.0	76.0	102.5	140.0	84.2	84.2	36.6
Common and Braid	(44s and coarser)	71.0	71.0	97.5	135.0	90.1	90.1	38.5
Semi-Bright fleece								
Fine combing (Staple)	(64s and finer)	134.0	137.5	172.5	235.0	75.4	70.9	36.2
Fine clothing	(64s and finer)	102.0	127.5	147.5	195.0	91.2	52.9	32.2
1/2 Blood combing	(60s, 62s)	127.0	122.5	157.5	190.0	49.6	55.1	20.6
3/8 Blood combing	(56s, 58s)	106.0	103.0	127.5	170.0	60.4	65.0	33.3
1/4 Blood combing	(48s, 50s)	98.5	96.0	122.5	152.5	54.8	58.9	24.5
Low 1/4 Blood	(46s)	76.0	76.0	102.5	137.5	80.9	80.9	34.1
Original bag shorn								
Fine Texas								
12 months		177.5	155.0	174.5	245.0	38.0	58.1	40.4
8 months		126.5	136.2	157.5	190.0	50.2	39.5	20.6
Fall		116.5	125.0	127.5	175.0	50.2	40.0	37.3

Compiled from market reports of the Production and Marketing Administration.

Prices to Growers Expected
To Average Higher Next Year

With consumers' incomes rising, demand for wool goods in the United States next year is likely to continue strong. A considerable increase in military requirements of apparel wool in the United States and in other countries also seems likely. The net effect of these factors, unless offset by a decline in civilian demand elsewhere, is likely to be a strengthening of world demand for apparel wool. This, together with the smaller world supply, points to higher prices to domestic growers for shorn wool next year. Some contracting for 1951 domestic spring clip wool already has taken place at prices considerably higher than for this year's clip.

The Defense Production Act of 1950 authorizes price controls for wool and mohair as well as for other farm products. The Act specifies that no ceiling shall be established or maintained for any agricultural commodity below the higher of two prices - parity price, or the highest actual prices received by producers between May 24 and June 24, 1950, inclusive as they might be adjusted for grade, seasonal, and location differentials. Prices for wool were above parity for that period. Since prices of wool, as of mid-September, were above parity and were at levels somewhat higher than the highest prices received during May 24-June 24, they are at present within the range of authority for control. The lowest ceilings on wool prices that could be imposed could be no lower than the highest prices received by growers during May 24-June 24, as they might be adjusted.

September Farm Price a Record High

The sharp rise in wool prices in foreign markets since last October has been reflected in prices received by domestic growers for shorn wool. The average farm price declined from a high of 52.6 cents per pound, grease basis, in February 1949 to a low of 46.0 cents last November, but has advanced continuously since then. The monthly average price received by growers for shorn wool in September of this year was 62.2 cents, the highest since records were started in 1909. The previous high was 60.0 cents in March 1918. The average farm price in September 1949 was 47.9 cents.

Prices received by growers for the 1950 clip will average somewhat higher than the 49.3 cents received in 1949 but a little lower than the record annual average of 57.7 cents received in 1918. Because of the outlook for higher prices, considerable contracting for 1950 clip wool took place in advance of shearing.

Prices of Domestic Wools
to Be Supported in 1951

The Agricultural Act of 1949 provides that the price of wool be supported at such level, between 60 and 90 percent of parity, as to encourage an annual production of approximately 360 million pounds of shorn wool. The average support level for 1950 production is 45.2 cents per pound, grease basis. This is 90 percent of the March 15, 1950, parity for wool of 50.2 cents. However, since open market prices have been above support levels, no wool has been purchased by the Commodity Credit Corporation under the program.

If price support for 1951 production is provided at 90 percent of the March 15, 1951, parity, the average support price probably would be slightly higher than this year because of further increases in parity; however, open market prices for most, if not all, wools probably would be above support levels.

Domestic Mill Consumption May Increase in 1951

Even though wool prices probably will be higher next year, mill consumption in the United States probably will increase slightly. Consumer incomes are expected to be higher, and military requirements are expected to increase. Controls authorized under the Defense Production Act of 1950, if imposed, could have considerable effect on both the quantity of apparel wool used for civilian goods and total consumption of apparel wool in the United States.

The substitution of other fibers, especially synthetics, has increased since the end of World War II, partly because of price relationships. Late in September, prices of domestic staple wools were about three times the 1939 price. The price of acetate staple fiber, on the other hand, was 9 percent lower than in 1939 and of viscose staple fiber only 48 percent higher. This relationship, if maintained during 1951, will tend to encourage an increase in the substitution of synthetic fibers for wool.

Consumption of apparel wool by domestic mills during 1950 continues at a higher rate than last year. The average weekly rate of consumption of 7.2 million pounds, scoured basis, during July, was 28 percent higher than in July of last year. During January-July, United States woolen and worsted mills consumed 240 million pounds of apparel wool. This was at an annual rate of over 400 million pounds. The average weekly rate for the period was about 36 percent greater than for the same months of 1949, but about 20 percent below that of the same period of 1948. It now appears likely that consumption for the year will range between 410 and 440 million pounds.

The increase in the consumption of 60s and finer wools has been greater than that for the other grades. Consumption of 60s and finer wools increased 41 percent over the first 6 months of 1949, while consumption of medium wools (50s up to 60s) increased only 29 percent and of the coarser grades (48s and coarser) only 19 percent. About 57 percent of the apparel wool consumed graded 60s and finer, compared with 54 percent last year.

Consumption of apparel wool on the worsted system increased 53 percent and on the woolen system 8 percent.

Consumption of carpet (duty-free imported) wool during 1950 also has been at a higher rate than last year. During January-July, domestic mills consumed 112 million pounds, scoured basis. The average weekly rate during this period was about 19 percent greater than for the same months of 1949. Consumption for the year probably will range between 190 and 210 million pounds, scoured basis.

United States Imports of Wool Increase

Between World War I and World War II, the United States imported, on the average, about 25 percent of its requirements of apparel wool, but the percentage varied considerably from year to year. The proportion during

World War II and thereafter has been considerably higher, due to military requirements during the war, a decline in domestic production beginning in 1943, and a higher level of civilian consumption after the war. Between two-thirds and three-fourths of the apparel wool consumed during World War II and thereafter until 1948 was imported. In 1949, however, imports were equivalent to only about 45 percent of domestic consumption. The sharp drop in imports last year was associated with a sharp decline in mill consumption and a reduction in CCC stocks during the year.

Imports during 1950, however, have been at a substantially higher rate than last year. Mill consumption has been considerably higher, while stocks at the beginning of the year were lower than at the same time last year and domestic production is about the same as the low of last year. During January-July, imports of apparel (dutiable) wools for consumption totaled 142 million pounds, clean basis, or 231 million pounds, actual weight, about double the quantity imported during the same months of last year. It now appears likely that imports for the year will range between 285 and 315 million pounds, clean basis, compared with 155 million pounds in 1949.

The dependence of mills in the United States on foreign sources for their raw apparel wool needs is likely to increase next year. Mill consumption is likely to be a little higher, while stocks and domestic production combined probably will not be greatly different.

All carpet wool consumed in the United States is imported. Imports for consumption of duty-free (carpet) wools totaled 149 million pounds, clean basis, or 217 million pounds, actual weight, during January-July. This was more than double the 63 million pounds, clean basis, imported during the same months of 1949. Imports of such wools for the year probably will amount to 200-225 million pounds, clean basis, compared with 118 million pounds in 1949.

Mill Output Increases

Production of yarn (other than carpet) on the woolen and worsted systems totaled 332 million pounds during January-July 1950, 22 percent above the 273 million pounds produced during the same period of 1949. Output of worsted yarn increased from 68 to 96 million pounds, or 41 percent, while the quantity of woolen yarns spun increased from 182 million pounds to 202 million pounds, or 11 percent. The increase in the production of knitting yarn was somewhat greater than that for weaving yarn, output of weaving yarn increasing from 234 to 280 million pounds or 20 percent and of knitting yarn from 38 to 49 million pounds or 29 percent.

Production of carpet yarns by domestic woolen and worsted mills during January-July totaled 113 million pounds, 18 percent greater than during the same months of 1949.

During the first half of 1950, production of woven wool fabrics 1/ amounted to 219 million finished linear yards, 25 million yards or about 13 percent more than during January-June 1949. Output of woven apparel fabrics totaled 184 million linear yards, an increase of 12 percent. The quantity of women's and children's wear fabrics produced was about 14 percent higher than last year, while men's and boys' wear fabric production

1/ Fabrics containing by weight 25 percent or more wool, reprocessed wool or reused wool.

increased 29 percent. Fabric produced for Government orders declined about 47 percent, and unclassified apparel fabric output declined 35 percent. Non-apparel fabric production increased 13 percent. Of the non-apparel fabrics, the greatest increase was in output of draperies and furniture upholstery, which increased 21 percent. Output of transportation upholstery increased 19 percent and of blankets 4 percent.

THE MOHAIR SITUATION

Domestic production of mohair in 1950 is expected to be between 13.5 and 13.8 million pounds, grease basis, about 7 percent less than the 1949 clip of 14.6 million pounds. Slaughter during 1949 was high relative to inventory. Goat numbers have declined each year since 1945. A slight further reduction in goat numbers probably has been taking place this year. Mohair production in 1951 is likely to be 13.2-13.5 million pounds, compared with the record high of 22 million pounds in 1945.

Prices received by growers for mohair in 1950 are expected to average considerably higher than the average price of 46.3 cents, grease basis, received in 1949. Practically the entire Texas fall clip was contracted for well in advance of shearing. In September, prices at local shipping points were reported at $0.85 per pound, grease basis, for adult and $1.05 for kid hair, about 55 and 40 percent higher, respectively, than a year earlier. For the week ended October 13, Texas sorted 40s mohair was quoted at $2.00-$2.10 per pound, grease basis, at Boston, compared with $1.40 early in October 1949. Prices in 1951 probably will average higher than in 1950. Considerable contracting for the 1951 Texas spring clip already has taken place. Contract prices are reported at $1.00 per pound, grease basis, for adult and $1.25 for kid hair. The sharp rise in mohair prices reflects the advance in prices of coarse apparel and carpet wools. 1/

The Agricultural Act of 1949 provides that the price of mohair be supported at such level, between 60 and 90 percent of parity, as to establish a proper relationship with the level of support for wool. The average support price for 1950 production is 49.1 cents per pound, grease basis, 74.1 percent of the March 15 parity of 66.2 cents per pound. Since open market prices for mohair have been above support levels, no mohair has been purchased by the Commodity Credit Corporation under the program. No announcement has been made regarding the 1951 support program.

Consumption of mohair by domestic mills during January-June 1950 was at an annual rate of 21 million pounds, grease basis. Consumption in 1949 totaled 18.5 million pounds. Consumption during January-June - 10.5 million pounds--was 38 percent greater than for the same months of 1949 and 75 percent greater than for January-June 1948. Consumption on the worsted system increased 66 percent, while consumption on the woolen system declined 3.6 percent.

Stocks of mohair in the United States on April 1, 1950, totaled 9.4 million pounds, grease basis, about 5 million pounds less than a year earlier. If there is no marked decline in the rate of consumption, stocks at the end of the year will be considerably lower than a year earlier. Net imports during the first 6 months of 1950 were less than 0.2 million pounds.

1/ The discussion of price controls authorized by the Defense Production Act of 1950 presented earlier in this report also applies to mohair.

STATISTICAL SUMMARY

PRICES

Item	Unit	1949 June	1949 July	1949 Aug.	1949 Sept.	1950 June	1950 July	1950 Aug.	1950 Sept.	Last data available as percent of a year earlier
Price received by farmers	Cents	49.6	48.2	48.0	47.9	56.2	57.1	58.3	62.2	130
Parity price	Cents	46.1	45.8	45.6	45.4	51.3	51.5	51.9	52.1	115
Farm as percentage of parity	Percent	108	105	105	106	110	111	112	119	
Boston market price: 1/										
Domestic wool										
Territory, scoured basis	Cents									
46s, 70s, 80s, staple	per	172.5	160.0	152.5	152.5	176.0	180.0	204.5	248.1	163
56s, combing	pound	113.0	112.0	110.8	111.5	139.5	141.0	161.8	174.4	156
Bright fleece, grease basis										
46s, 70s, 80s, delaine	do.	72.0	66.0	64.0	64.8	71.0	72.0	80.6	93.0	144
56s, combing	do.	54.5	54.5	54.5	54.5	67.8	70.2	77.8	89.2	164
Foreign wool, excl. duty										
Australian, clean basis										
64s, 70s, topmaking	do.	167.5	167.5	167.5	167.5	177.5	177.5	196.5	272.5	163
Montevideo, grease basis										
58s, (Is)	do.	70.0	59.0	58.0	61.8	79.0	79.0	91.3	107.5	174
60s, (IIs)	do.	62.4	55.0	53.0	56.0	71.0	72.0	79.2	93.8	168
Other textile fibers										
Cotton, Middling 15/16" 2/	do.	32.8	32.1	31.0	30.0	33.8	37.1	38.1	40.7	13[illegible]
Rayon, staple fiber										
Viscose 1-1/2 denier	do.	35.0	35.0	35.0	35.0	35.0	35.5	37.0	3/	10[illegible]
Acetate 5 denier	do.	42.0	42.0	42.0	42.0	42.0	42.0	42.0	3/	100

CONSUMPTION AND SUPPLIES

		1949 April	1949 May	1949 June	1949 July	1950 April	1950 May	1950 June	1950 July 4/	
Mill consumption										
Per week, during month 5/										
Scoured basis										
Apparel (domestic and duty-paid foreign)	1,000 pounds	4,879	5,284	5,653	5,625	7,777	8,117	7,954	7,200	128
Carpet (duty-free foreign)	do.	3,203	3,057	2,260	1,605	4,163	4,051	3,686	2,400	150
Grease basis										
Carpet (duty-free foreign)	do.	4,483	4,240	3,231	2,167	5,829	5,628	5,145	3/	159
Accumulated since January 1										
Scoured basis										
Apparel (domestic and duty-paid foreign)	Million pounds	104.4	125.5	153.8	176.3	138.9	171.3	211.1	239.9	136
Carpet (duty-free foreign)	do.	64.0	76.3	87.6	94.0	67.9	84.1	102.5	112.1	119
Grease basis										
Carpet (duty-free foreign)	do.	89.6	106.6	122.7	131.4	94.4	116.9	142.6	3/	116
Imports--actual weight 6/										
Apparel wool (dutiable)	Million pounds	12.4	10.6	16.5	12.5	22.4	33.9	29.5	30.3	242
Carpet wool (duty-free)	do.	11.9	11.1	13.0	10.1	33.5	19.9	24.9	37.6	372
Accumulated since January 1										
Apparel wool (dutiable)	do.	76.8	87.4	103.8	116.4	137.6	171.6	201.1	231.4	[illegible]
Carpet wool (duty-free)	do.	59.1	70.1	83.2	93.3	134.6	154.5	179.4	217.0	233
Imports--clean content 6/										
Apparel wool (dutiable)	do.	5.9	6.5	10.1	8.1	16.5	20.5	18.1	18.7	231
Carpet wool (duty-free)	do.	8.1	7.2	9.0	7.1	23.0	13.3	17.4	25.9	365
Accumulated since January 1										
Apparel wool (dutiable)	do.	44.2	50.7	60.8	68.8	85.0	105.6	123.7	142.4	207
Carpet wool (duty-free)	do.	40.0	47.2	56.1	63.2	92.9	106.1	123.5	149.4	236
Wool fabric production										
Accumulated since January 1										
Men's and boys' wear	Million			75.8				92.2		122
Women's and children's wear	linear			71.0				80.7		114
Other apparel fabrics	yards			16.7				10.8		65
Total apparel fabrics	do.			163.5				183.7		112
Blankets	do.			11.3				11.7		104
Other nonapparel fabrics	do.			19.4				23.2		120
Total woven fabrics	do.			194.2				218.6		113

Compiled from official sources.

1/ BAE Boston Market Reports.
2/ Average of 10 markets.
3/ Not available.
4/ Preliminary.
5/ Each month of each quarter is a 5-week period; other months are 4-week periods.
6/ Imports for consumption.

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